

Cotton Domestic Fundamentals:

- Cotton prices remained weak on Tuesday with all markets ending in the red.
- Informal Group of Ministers are likely to meet on June 2 to take a decision on the issue of increasing the limit of cotton exports from the current 5.5 million bales for the current season.
- Millers demand will remain weak in the next week or so and this may pull markets lower.
- However the Indian government said that Cotton has been sown in 9.5 lakh hectares as compared to 8.11 lakh hectares last year and no incidence of insect, pest and disease has been reported by the States.

Cotton International Fundamentals:

- U.S cotton futures advanced as bad weather issues during prime planting periods in three key U.S. producing regions may cause damage.
- Markets also moved higher amid imports cancelations from the U.S.
- According to USDA a net total of about 32,960 bales of cotton sales for delivery before July 31st 2011 were scrapped in the week ended May 19th 2011.
- Demand is also weak and this may pull markets lower.

Outlook:

- In the short term, cotton prices may fall slightly on weak millers demand.
- Cotton futures may rebound on bad weather conditions in U.S may cause damage.
- In the long term price trend may depend on global production in U.S and India and demand from China.

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	4.1	795	807.8	795	801
Mar-12	-8.5	787	802.8	783	802.8
Apr-12	10.5	795	805	782	803

Contract	Volume	Change	OI	Change
Feb-12	5	-9	36	-1
Mar-12	8	7	7	-1
Apr-12	282	-41	437	18

Spread	Feb-12	Mar-12	Apr-12
Spot	-76	-77.8	-78
Feb-12	-	1.8	2
Mar-12	-	-	0.2
Apr-12	-	-	-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11					
Dec-11					
Mar-12					
May-12					
Jul-12					

Contract	Volume	Change	OI	Change
Jul -11				
Oct-11				
Dec-11				
Mar-12				
May-12				

This section will be updated the next day

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	31-05-11	30-05-11	
Kadi –Bt Cotton	3125-3625	3000-3750	-125
Amravati –Vunni Mech-1	3100-3700	3200-3900	-200
Abohar – J-34	4650	4700	-50
Muktsar– J-34	4700	4750	-50
Ahmedabad-Shankar	-	-	-

Cotton Arrivals in Key Centers

Centre	Arrivals in Bags/Qtl		Change
	31-05-11	30-05-11	
Kadi –Bt Cotton	50-60	100	-40
Amravati –Vunni Mech-1	100	100	-
Ahmedabad-Shankar	-	-	-
Abohar – J-34	Nil	Nil	-
Muktsar– J-34	Nil	Nil	-

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